



Sportingbet Plc

Unaudited results for the half year ended 31 January 2012

Sportingbet Plc, a leading online sports betting and gaming group, announces its results for the half year ended 31 January 2012.

Group Financial highlights for the first half

	Six months to 31 Jan 2012 £m	Six months to 31 Jan 2011 £m
Amounts wagered	1,266.2	1,069.2
Net gaming revenue	109.4	106.8
EBITDA**	25.2	25.8
Adjusted operating profit**	17.4	19.6
Group operating profit	(5.2)	18.2
Adjusted diluted EPS** (p)	2.2	3.7
Diluted EPS (p)	(1.0)	3.5
Dividend per share (p)	0.6	0.6

Group

- Centrebet acquisition completed 31 August 2011
- Scandic Bookmakers and Danbook acquisitions completed 31 January 2012
- Disposal of Turkish language business completed on 21 November 2011
- 45% of revenues from regulated territories and a further 18% from territories where we are paying tax ahead of licence issuance

Australia

- Strong growth driven by the move to online betting and mobile take-up
- Amounts wagered up 86% (like for like up 12%)
- NGR up 134% (like for like up 28%)
- Amounts wagered on mobile up 395%
- Integration processing well with synergies at least in line with plan

Europe and Emerging Markets

- Amounts wagered down 23% (like for like down 9%)
- NGR down 27% (like for like down 18%)
- New betting taxes of £7.9m
- European cost base addressed with £12m annualised costs removed to date
- Emerging Markets division growing fast, NGR up 23%
- in:play continues to produce industry leading margins of 10.1%

* Excluding discontinued territories and at constant currency .

** Adjusted to exclude share option charge, exceptional costs and amortisation of other tangible assets.

Andrew McIver, Group Chief Executive, commented:

“This has been a transformational six months for Sportingbet. We have acquired additional regulated businesses in Australia and Denmark and disposed of our Turkish language website. These, together with the movement towards regulation in our second and third biggest markets, of Spain and Greece, mean that by the end of our year we expect to derive over 75% of our revenues from regulated markets on an annualised basis. Following regulation in September 2008, our experience with Sportingbet Australia has demonstrated to us the long term growth potential for market leading brands in regulated markets. Our European business is being currently restructured to ensure it too is best placed to capitalise on the move towards regulation.

The third quarter has started well and in particular, we have seen a rebound in the softer European sports margin experienced in the first half of the year.”

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Sportingbet Plc

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There is a presentation for analysts and investors today at 09.30 at Oriel Securities Limited, 150 Cheapside, London, EC2V 6ET. In addition, there will be a live audio webcast available at www.sportingbetplc.com. Registration will be made available 20 minutes prior to the presentation start time.

OVERVIEW

The past six months have been transformational for Sportingbet. On 31 August 2011, we completed our acquisition of Centrebet International Limited to add to our existing Sportingbet Australia business. This established us as a leading corporate betting provider in Australia, having around a third of the Australian internet gambling market. On 21 November 2011, we completed the disposal of our Turkish language website business to East Pioneer for a minimum cash receivable of £125m. After accounting for these changes, over 50% of the Group's revenues are now generated in regulated markets on an annualised basis. This rises to over 75% following our recent acquisitions of Scandic Bookmakers and Danbook in Denmark at the end of the half and expected licence issuance following regulation in Greece and Spain.

Our largest market, Australia, which now accounts for 54% of the Group's sports NGR, has traded very strongly in the first six months of our financial year with NGR up 28% on a like for like basis. The integration of Centrebet, our Australian acquisition, is proceeding to plan. We remain very excited by the long term potential of this market.

In Europe the business was impacted by the disposal of our Turkish language website which accounted for 29% of our European and Emerging Markets NGR. The move towards regulation has further reduced our NGR in this division by 10% during the period as we have started to pay tax in Spain and Greece. Finally, the ongoing recessionary environment, has affected the European business, leading to a reduction in amounts wagered of 22% and 11% in Greece and Spain respectively. To offset the combined effects of these three factors the cost base of the business has been reduced by an annualised £12m. Further cost savings are planned in this area as the business is positioned to take advantage of newly regulated markets.

FINANCIAL RESULTS

Six months ended 31 January 2012

Amounts wagered for the six months ended 31 January 2012 grew by 18% to £1,266.2m (2010/11: £1,069.2m), earning total revenue of £110.9m (2010/11: £107.9m).

Amounts wagered on Australian sports betting grew by 86% to £756.1m (2010/11: £406.5m), earning post betting tax NGR of £45.3m (2010/11: £19.4m). This includes five months of Centrebet, the acquisition of which was completed in August, and contributed £18.0m NGR in the period. Excluding Centrebet's contribution, NGR was up 28% on a like for like basis.

Amounts wagered on sports betting in Europe (incorporating the financial results for the Emerging Markets division) fell by 23% to £484.8m (2010/11: £633.1m), earning NGR of £38.8m (2010/11: £57.8m). The NGR is after deducting Spanish and Greek betting taxes of £7.9m which have been levied for the first time in this period and the disposal of the Turkish language website. Like for like amounts wagered fell by 9.0% in the period.

Casino and gaming contributed a further £20.6m, and poker £4.7m, to both amounts wagered and NGR (2010/11: £22.5m and £7.1m).

As a percentage of amounts wagered, the European and Australian sports NGR were 8.0% and 6.0% respectively (2010/11: 9.1% and 4.8%). However, amounts wagered and NGR are stated after a deduction for customer bonuses of £10.5m (2010/11: £10.9m). Without the bonus deduction the equivalent numbers would have been 8.7% and 6.3% (2010/11: 9.9% and 5.2%).

Adjusted profit (before share option charge, exceptional costs and amortisation of other intangible assets) for the six months was £17.4m (2010/11: £19.6m).

Earnings before interest, tax, depreciation and amortisation (before share option charge and amortisation of other intangible assets) decreased 2.3% to £25.2m (2010/11: £25.8m).

Operating loss after the exceptional costs of £24.0m (2010/11: £nil), share option charge of £0.3m (2010/11: £0.5m) and amortisation of other intangible assets of £0.9m (2010/11: £0.9m) was £7.8m (2010/11: profit of £18.2m).

Interest income amounted to £0.9m (2010/11: £1.5m). Net finance expense was £2.0m (2010/11: income of £1.4).

Corporation tax increased to £3.1m (2010/11: £1.7m) due to the increased profitability of the Australian business that now includes Centrebet.

Our Turkish language website was disposed of on 21 November 2011. Given the nature of the sale agreement, the disposal proceeds are shown separately on the face of the profit and loss account. The amounts received and the associated costs are in line with our expectations at the time of the disposal. For the period from 21 November to 31 January, the amounts payable by GVC in consideration of the sale of our Turkish website was £2.6m, which is stated net of direct costs of £0.5m.

Exceptional costs totalled £24.0m (2010: £nil). £19.1m of these are non-cash charges for fixed asset impairments – principally writing off the costs of the Centrebet's IT system and certain assets which related to our Turkish business. The remaining £10.9m consists of corporate transactions (£5.6m) and restructuring costs in Europe and Australia of (£5.3m). Offsetting this is a GST refund received in Australia of £6.0m.

Adjusted basic earnings per share (before share option charge, amortisation and prior year listing costs), was 2.2p (2010/11: 3.8p). Adjusted diluted earnings per share (before share option charge, exceptional costs, amortisation and prior year listing costs), was 2.2p (2010/11: 3.7p). Basic Group statutory earnings per share was (1.6)p (2010/11: 3.6p).

As at 31 January 2012, the Group had £63.2m (2010/11:£54.4m) of cash and liquid resources on its balance sheet. After taking into account £30.2m (2010/11:£21.4m) of customer liabilities, £4.0m (2010/11:£4.0m) bank loans and £12.2m to be refunded to former Centrebet shareholders in respect of GST, net cash at the period end stood at £14.1m (2010/11:£25.5m)

REVIEW OF OPERATIONS

Sportingbet Group

Sportingbet is one of the world's leading online gaming operators with divisions focused on Europe (which includes Emerging Markets) and Australia. Betting on sports is at the heart of the Sportingbet business, accounting for 75% (2010/11: 72%) of Group gross gaming revenue. The growth in sports betting of 19% has primarily been driven by our Australian operation which has continued to see strong organic growth aided by the acquisition of Centrebet.

While sports betting remains the focus of the business, we provide a complete range of other gaming products to our customers including casino, games and poker. Casino and games

contribute 19% of Group gross gaming revenue whilst poker makes up the remaining 6.0%. These products are not offered to our Australian customers due to regulatory constraints.

Australia

Amounts wagered in Australia (now including five months of Centrebet results) increased by 86% from £406.5m to £756.1m resulting in an increase in NGR of 134% to £45.3m (2010/11: £19.4m). The Australian business now accounts for 41% of Group revenue. Excluding Centrebet, the Australian operation increased amounts wagered by 12% to £485.1m and NGR by 28% to £30m.

The sports margin in Australia was above the long term average for the six months at 6% (2010/11: 4.8%) as certain results favoured the bookmaker and the business mix moved increasingly to online and mobile and away from the lower margin telephone business.

As the Australian market continues its move from retail, tote betting to fixed odds, online, our business has continued to benefit. The online operations performed very strongly with the number of actives up 47% and the number of bets up 27% (figures excluding Centrebet). Centrebet increased the number of actives by 181% compared to the prior year. The average bet size rose by 5.8%.

Our Australian mobile platform was successfully launched in February two years ago. The proprietary owned product continued to perform strongly during the six month period. Both the Centrebet and Sportingbet smartphone apps are now in the app store and this has helped drive the 395% increase in amounts wagered, resulting in mobile now accounting for 14% of margin up from 3.5% last year on a like for like basis. As in other countries, the mobile product is increasing the frequency of customer bets and producing a higher margin as it tends to be used to supplement existing betting opportunities.

The acquisition of Centrebet was completed on 31 August 2011. We are very excited by the prospects for both brands. Although it is relatively early in the integration process the signs are very promising. We expect the synergy levels to at least match those we planned at the time of the acquisition. Both brands will be operating on one platform, thereby targeting maximum revenue upside through diversification whilst also extracting the largest possible cost savings from synergies. The combined business has around one third of the Australian internet corporate bookmaking market and is regulated, taxed and fast growing.

The Australian Government is currently reviewing the 2001 Interactive Gambling Act. The Group has engaged in the review and has recommended that in:play betting, gaming and poker should be regulated and therefore permitted

Europe and Emerging Markets

The amount wagered on sports decreased by 23% to £484.8m (2010/11: £633.1m), generating NGR of £38.8m (2010/11: £57.8m) down 33%. As European markets move towards regulation, in Spain and Greece we have paid or accrued betting taxes of £7.9m in the period, with no similar accrual in the prior period. On a like for like basis, amounts wagered were down 9%.

The European business has been growing at c.20% a year for a number of years and had a cost base which was appropriate to support those trends. The disposal of the Turkish language website which was 29% of European revenue, the imposition of taxes in our

largest markets which was 10% of NGR and the effects of economic turbulence in our largest markets, have significantly reduced revenue during the current financial year. As a consequence the cost base is being addressed. Over the last quarter annualised fixed costs savings of £12m have been made incurring an exceptional cost of £2m. Further action is being planned to produce additional annualised savings of £8m at an expected cash cost of £3m.

The European business has market leading positions in several countries and a competitive product. The Group intends to take advantage of these assets as markets regulate and licensing will be well positioned to compliment this programme.

Our in:play product continues to produce industry leading margins of 10.1% (2010/11: 9.3%) and now accounts for 67% of European amounts wagered. We continue to expand the product and now trade up to 550 (2010/11: 460) football matches in:play per week from 430 (2010/11:339) distinct football divisions.

Our two largest markets in Europe are Spain and Greece which account for 9.4% and 8.7% of total Group gross gaming revenue respectively. These markets continue to be affected by particularly challenging economic conditions. Spain saw amounts wagered fall by 11% whilst Greece saw a fall of 22%. This impacted the number of total sports actives, which fell across Europe by 12%. However, by providing markets to bet on every minute of every day we saw the number of sports bets placed fall by only 6.3% to 37.0m (2010/11: 39.5m) while the number of bets per customer increased to 140 (2010/11: 132). The average bet size decreased marginally to £11.90 (2010/11: £14.85) and yield per sports customer also decreased from £198 to £145.

The Emerging Markets division again saw strong NGR growth up 23% to £5.5m.

Casino and games NGR fell by 8.4% to £20.6m (2010/11: £22.5m). Our industry leading product range led to a 3.6% increase in the number of bets per active customer, but the difficult economic conditions in markets such as Spain and, in particular, Greece caused a 0.6% decrease in the total number of bets.

Poker NGR decreased to £4.7m (2010/11: £7.1m) in challenging market conditions. Our casino and games and poker product remain an essential part of our offering, creating a 'one stop shop' which has been proven to increase customer loyalty.

In January, this year we announced the completion of the acquisition of leading Danish online betting operators Danbook Limited and Scandic Bookmakers Limited. Both are focused on the Danish markets, where they offer customers a full range of fixed odds sports betting, casino, poker and games. These companies were successfully awarded new Danish gambling licences in December and launched websites compliant with the new Danish regulations on 1 January 2012. Sportingbet already operates licensed businesses in Denmark under both its Sportingbet and Centrebet brands and the combination of these businesses with Danbook and Scandic will give Sportingbet scale in an important, regulated market.

REGULATORY UPDATE

The Group welcomes the moves towards greater regulation across Europe as it provides greater certainty for the continuity of future income streams, increased consumer protection and also greater certainty and effectiveness for future marketing activities.

Over the last six months the Group has received licences in Italy and Denmark and has a licence application pending in Spain, where it is already paying tax. The Group has registered its Greek website for tax in accordance with their new gaming regulations and intends to apply for a licence when the application process is clear.

Although the overall impact of regulation on profitability will be negative in the short term, we are confident that in the medium term the Group will be able to overcome the immediate increases in operating costs from both tax and through increased marketing activities, as we have proven in the Australian market.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks of the Group are unchanged from those published in the 2010/11 Annual Report.

DIVIDEND

We intend to pay an interim dividend of 0.6p (2010/11: 0.6p) per share, which will be paid on 6 June 2012 to shareholders on the register on 11 May 2012.

OUTLOOK

The third quarter has started well and in particular, we have seen a rebound in the softer European sports margin experienced in the first half of the year.

Whilst individual territories or products may face challenges, the Group is well positioned to move forward due to its broad product range and diverse geographic spread of business. The long-term growth prospects of the industry combined with our constantly expanding product offering give us confidence as to the Group's future growth and the Board remains confident for the remainder of the year.

Sportingbet Plc
Directors' Responsibility Statement

The Directors confirm that to the best of their knowledge:

- (a) The condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union;
- (b) The interim management report includes a fair review of developments and performance of the business that have occurred during the first half of the financial period and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties they face, as required by DTR 4.2.7; and
- (c) There have been no related party transactions during the first half of the financial period and there have been no changes to the related party transactions described in the 2010/11 Annual Report. This provides a fair review as required by DTR 4.2.8.

This statement is in accordance with DTR 6.3 to cover our dissemination requirements.

The Directors of Sportingbet Plc are listed in the Sportingbet Annual Report for the year ended 31 July 2011 and a list of current Directors is also maintained on the Sportingbet Plc website: www.sportingbetplc.com. A copy of this announcement is available on the Sportingbet Plc website: www.sportingbetplc.com.

On behalf of the Board,

J Wilkinson
Group Finance Director
29 February 2012

Disclaimer

This announcement does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any securities of The Sportingbet Group Plc (the "Company"). Neither this announcement nor the fact of its distribution constitutes a recommendation regarding any securities.

Certain statements, beliefs and opinions contained in this announcement, particularly those regarding the possible or assumed future financial or other performance of the Company, industry growth or other trend projections, are or maybe forward-looking statements. Forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "plans", "goal", "target", "aim", "may", "will", "would", "could", or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future and maybe beyond the Company's ability to control or predict. Forward-looking statements are not guarantees of future performance. No representation is made that any of these statements of forecasts will come to pass or that any forecast result will be achieved.

Neither the Company, nor any of its associates or Directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. You are cautioned not to place undue reliance on these forward-looking statements.

Other than in accordance with its legal or regulatory obligations (including under the UK Listing Rules and the Disclosure and Transparency Rules of the Financial Services Authority), the Company is not under any obligation and the Company expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

No statement in this announcement is intended as a profit forecast or a profit estimate and no statement in the announcement should be interpreted to mean that earning per Sportingbet share for the current or future financial years would necessarily match or exceed the historical earnings published per Sportingbet share.

Certain data in this announcement, including financial, statistical and operating information, has been rounded. As a result of such rounding, the totals of data presented in this announcement may vary slightly from the actual arithmetic totals of such data. Percentages in tables have been rounded and accordingly may not add up to 100%.

Sportingbet Plc
Unaudited Consolidated Statement of Comprehensive Income
Six months ended 31 January 2012

	Notes	Six months to 31 Jan 2012 Excluding disposal of Turkey £m	Six months to 31 Jan 2012 Disposal of Turkey £m	Six months to 31 Jan 2012 Total £m	Six months to 31 Jan 2011 £m
Amounts wagered	4	1,266.2	-	1,266.2	1,069.2
Net gaming revenue	3	109.4	-	109.4	106.8
Other operating revenue		1.5	-	1.5	1.1
Total revenue	4	110.9	-	110.9	107.9
Administrative expenses before share option charge and amortisation of intangible assets		(93.5)	-	(93.5)	(88.3)
Group operating profit before share option charge and amortisation of intangible assets		17.4	-	17.4	19.6
Profit on Turkey disposal	4	-	2.6	2.6	-
Other administrative expenses:					
• Exceptional items	5	(24.0)	-	(24.0)	-
• Share option charge	6	(0.3)	-	(0.3)	(0.5)
• Amortisation of other intangible assets		(0.9)	-	(0.9)	(0.9)
Total admin expenses		(118.7)	2.6	(116.1)	(89.7)
Group operating (loss)/profit		(7.8)	2.6	(5.2)	18.2
Finance income		0.9	-	0.9	1.5
Finance costs		(2.9)	-	(2.9)	(0.1)
(Loss)/profit before taxation		(9.8)	2.6	(7.2)	19.6
Taxation		(3.1)	-	(3.1)	(1.7)
(Loss)/profit after tax		(12.9)	2.6	(10.3)	17.9
(Loss) / profit attributable to the owners of the parent		(12.9)	2.6	(10.3)	17.9
Other comprehensive income:					
- Amounts initially recycled to equity under designated cash flow hedges		0.3	-	0.3	(0.3)
- Amounts recycled to the income statement to match the hedged items		0.4	-	0.4	(1.2)
- Exchange differences on translation of foreign operations		(3.4)	-	(3.2)	0.1
Total comprehensive income for the period attributable to the owners of the parent		(15.6)	2.6	(12.8)	16.5
Profit per ordinary share	8				
Basic		(2.0)p	0.4p	(1.6)p	3.6p
Diluted		(1.3)p	0.3p	(1.0)p	3.5p

Sportingbet Plc
Unaudited Consolidated Balance Sheet

As at 31 January 2012

	Notes	31 Jan 2012 Unaudited £m	31 Jan 2011 Unaudited £m	31 July 2011 Audited £m
Non-current assets				
Goodwill		153.2	41.6	41.8
Other intangible assets		31.3	25.0	33.2
Property, plant and equipment		21.1	27.1	26.2
Deferred tax asset		1.2	2.1	1.2
		206.8	95.8	102.4
Current assets				
Trade and other receivables		29.9	16.0	16.3
Cash and cash equivalents		63.2	54.4	180.2
Derivative asset		0.5	-	-
		93.6	70.4	196.5
Current liabilities				
Trade and other payables		(82.5)	(51.0)	(60.4)
Interest bearing loans and borrowings		(2.2)	(5.7)	(6.0)
Derivative liability		-	(0.1)	(0.2)
		(84.7)	(56.8)	(66.6)
Net current assets		8.9	13.6	129.9
Non-current liabilities				
Trade and other payables		-	(3.8)	-
Interest bearing loans and borrowings		(57.5)	(2.1)	(53.8)
		(57.5)	(5.9)	(53.8)
Net assets		158.2	103.5	178.5
Equity				
Issued share capital	8	0.7	0.5	0.7
Share premium		60.1	60.0	60.0
Retained earnings		97.4	43.0	117.8
Total equity		158.2	103.5	178.5

Sportingbet Plc
Unaudited Consolidated Statement of Changes in Equity
Six months ended 31 January 2012

	Issued share capital £m	Share premium account £m	Other reserves £m	Equity portion of convertible bond £m	Profit and loss account £m	Foreign exchange reserve £m	Total £m
As at 1 August 2010	0.5	59.9	-	-	30.8	1.5	92.7
Employee share options	-	0.1	-	-	(0.7)	-	(0.6)
Issue of shares	0.2	-	62.3	-	-	-	62.5
Equity portion of convertible bond	-	-	-	10.3	-	-	10.3
Share option charge	-	-	-	-	1.2	-	1.2
Dividends paid	-	-	-	-	(8.6)	-	(8.6)
Profit for the year	-	-	-	-	20.7	-	20.7
Hedge accounting	-	-	-	-	(1.6)	-	(1.6)
Foreign currency exchange	-	-	-	-	-	1.9	1.9
As at 1 August 2011	0.7	60.0	62.3	10.3	41.8	3.4	178.5
Employee share options	-	0.1	-	-	(0.5)	-	(0.4)
Share option charge	-	-	-	-	0.3	-	0.3
Dividends paid	-	-	-	-	(7.3)	-	(7.3)
Loss for the period	-	-	-	-	(10.3)	-	(10.3)
Hedge accounting	-	-	-	-	0.6	-	0.6
Foreign currency exchange	-	-	-	-	-	(3.2)	(3.2)
As at 31 January 2012	0.7	60.1	62.3	10.3	24.6	0.2	158.2

Sportingbet Plc
Unaudited Consolidated Statement of Cash Flows
Six months ended 31 January 2012

	Six months to 31 Jan 2012 £m	Six months to 31 Jan 2011 £m
Group profit after taxation	(10.3)	17.9
Depreciation	2.3	2.3
Software amortisation	5.6	3.9
Other amortisation	0.9	0.9
Write-off of property plant & equipment and software	19.1	-
Share option charge	0.3	0.5
Finance cost/(income)	2.0	(1.4)
Taxation	3.1	1.7
Operating cash flows before movements in working capital	23.0	25.8
Increase in receivables	(11.1)	(3.0)
Decrease in payables	(3.4)	(12.5)
Cash generated by operations	8.5	10.3
Income tax paid	(1.9)	(1.3)
Net cash from operating activities	6.6	9.0
Purchases of property, plant and equipment	(0.9)	(2.1)
Purchases of software	(9.9)	(7.9)
Acquisitions	(99.6)	(0.1)
Interest received	0.5	0.2
Cash used in investing activities	(109.9)	(9.9)
Exercise of share options	(0.4)	(0.6)
Issue of shares	0.1	0.2
Finance leases	(0.2)	1.3
Dividends paid	(7.3)	(5.6)
Convertible bond interest paid	(2.3)	-
Net cash from financing activities	(10.1)	(4.7)
Net increase in cash and cash equivalents in the period	(113.4)	(5.6)
Cash and cash equivalents at beginning of period	180.2	58.9
Effect of foreign exchange rate changes	(3.6)	1.1
Cash and cash equivalents at end of period	63.2	54.4

Sportingbet Plc
Unaudited Notes to the Financial Information
Six months ended 31 January 2012

1. Basis of preparation

The unaudited financial information provided is for the half year ended 31 January 2012.

The unaudited financial information has been prepared under International Financial Reporting Standards as adopted by the European Union (IFRS) and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. It does not constitute full accounts within the meaning of section 434 of the Companies Act 2006.

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 July 2011, as described in those financial statements, which can be found on the Group's website.

2. Seasonality of operations

The Group's profitability is particularly sensitive to sporting events that attract a large volume of stakes. Revenues in the online betting industry in the second and third quarter of the financial year are generally stronger than revenues in the first and fourth. The Group's operating results generally reflect this seasonality, but have also been impacted by other factors that are not necessarily seasonal including, the imposition of new regulatory taxes and general economic conditions. Consequently, the Group's quarterly operating results are not necessarily indicative of operating results for an entire year and historical operating results in a quarterly or annual period are not necessarily indicative of future performance.

3. Net gaming revenue

Net gaming revenue for the period has been calculated as follows:

	Six months to 31 Jan 2012 £m	Six months to 31 Jan 2011 £m
Gaming revenue	121.4	118.8
Promotional bonuses	(10.5)	(10.9)
	110.9	107.9

Sportingbet Plc
Unaudited Notes to the Financial Information (Continued)
Six months ended 31 January 2012

4. Operating segments

For management purposes, the Group is currently organised into three geographical regions – Europe, Australia and Emerging Markets. These operating regions are the basis on which the Group reports its operating segments.

The following tables presents revenue and profit information and certain asset and liability information regarding the Group's business segments for the periods to 31 January 2012 and 31 January 2011 (for the quarter and the year to date).

Emerging Markets refer to the Group's operations in Brazil, Canada, Chile and South Africa.

6 months to January 2012	Europe £m	Australia £m	Emerging Markets £m	PLC £m	Total £m
Net amounts wagered	461.2	756.2	48.8	-	1,266.2
Net revenue	59.3	46.1	5.5	-	110.9
Depreciation and amortisation of software	(6.6)	(1.2)	-	-	(7.8)
Administrative expenses before exceptional items, share option charge and amortisation of other intangible assets	(49.3)	(27.9)	(3.6)	(4.9)	(85.7)
Group operating profit/(loss) before exceptional items, share option charge and amortisation of other intangible assets	3.4	17.0	1.9	(4.9)	17.4
Profit on Turkey disposal					2.6
Other administrative expenses:					
• Exceptional items					(24.0)
• Share option charge					(0.3)
• Amortisation of intangible assets					(0.9)
Total administrative expenses					(116.1)
Operating loss					(5.2)
Finance cost					(2.0)
Taxation					(3.1)
Loss for the period					(10.3)
Balance sheet information					
Total assets	265.3	35.1	-	-	300.4
Total liabilities	(141.4)	(0.8)	-	-	(142.2)
Expenditure incurred to acquire property, plant and equipment and intangible assets	8.4	2.4	-	-	10.7

Management also review revenue according to its three principal products: sports betting, casino gaming and poker.

Sportingbet Plc
Unaudited Notes to the Financial Information (Continued)
Six months ended 31 January 2012

4. Operating segments (continued)

6 months to January 2012	Sports betting £m	Casino gaming £m	Poker rake £m	Other £m	Total £m
Amounts wagered	1,247.1	22.5	7.1	-	1,276.7
Promotional bonuses	(6.2)	(1.9)	(2.4)	-	(10.5)
Net amounts wagered	1,240.9	20.6	4.7	-	1,266.2
Revenue	90.3	22.5	7.1	1.5	121.4
Promotional bonuses	(6.2)	(1.9)	(2.4)	-	(10.5)
Net revenue	84.1	20.6	4.7	1.5	110.9

6 months to January 2011	Europe £m	Australia £m	Emerging Markets £m	PLC £m	Total £m
Net amounts wagered	610.5	406.5	52.2	-	1,069.2
Net revenue	84.1	19.4	4.4	-	107.9
Depreciation and amortisation of software	(5.3)	(0.8)	-	(0.2)	(6.3)
Administrative expenses before exceptional items, share option charge and amortisation of other intangible assets	(58.2)	(14.1)	(3.0)	(6.7)	(82.0)
Group operating profit/(loss) before exceptional items, share option charge and amortisation of other intangible assets	20.6	4.5	1.4	(6.9)	19.6
Other administrative expenses:					
• Exceptional items					-
• Share option charge					(0.5)
• Amortisation of intangible assets					(0.9)
Total administrative expenses					(89.7)
Operating profit					18.2
Finance income					1.4
Taxation					(1.7)
Profit for the period					17.9
Balance sheet information					
Total assets	139.6	26.6	-	-	166.2
Total liabilities	(53.9)	(8.8)	-	-	(62.7)
Expenditure incurred to acquire property, plant and equipment and intangible assets	8.8	1.2	-	-	10.0

Sportingbet Plc
Unaudited Notes to the Financial Information (Continued)
Six months ended 31 January 2012

4. Operating segments (continued)

6 months to January 2011	Sports betting £m	Casino gaming £m	Poker rake £m	Other £m	Total £m
Amounts wagered	1,046.4	24.7	9.0	-	1,080.1
Promotional bonuses	(6.8)	(2.2)	(1.9)	-	(10.9)
Net amounts wagered	1,039.6	22.5	7.1	-	1,069.2
Revenue	84.0	24.7	9.0	1.1	118.8
Promotional bonuses	(6.8)	(2.2)	(1.9)	-	(10.9)
Net revenue	77.2	22.5	7.1	1.1	107.9

5. Exceptional items

	Six months to 31 Jan 2012	Six months to 31 Jan 2011
	£m	£m
Property, plant & equipment and software impairments	19.1	-
Corporate transactions	5.6	-
Redundancy costs	5.3	-
GST refund	(6.0)	-
	24.0	-

6. Share option charge

	Six months to 31 Jan 2012	Six months to 31 Jan 2011
	£m	£m
Share option charge	0.3	0.5
	0.3	0.5

7. Dividends paid

A final year end dividend of 1.1p per share was paid on 12 January 2012 to ordinary shareholders registered on 16 December 2011.

Sportingbet Plc
Unaudited Notes to the Financial Information (Continued)
Six months ended 31 January 2012

8. Earnings per share

	Six months to 31 Jan 2012	Six months to 31 Jan 2011
Profit per ordinary share		
Basic	(1.6)p	3.6p
Diluted	(1.0)p	3.5p
Adjusted earnings per ordinary share (before exceptional items, share option charge and amortisation)		
Basic	2.2p	3.8p
Diluted	2.2p	3.7p

The calculation of basic earnings per share is based on the profit on ordinary activities after taxation attributable to shareholders of Sportingbet Plc and the weighted average number of shares in issue during the year.

Due to the size of non-cash items the Group has adjusted its earnings per ordinary share to exclude exceptional items, share option charge and amortisation.

	Six months to 31 Jan 2012 £m	Six months to 31 Jan 2011 £m
Basic earnings	(10.3)	17.9
Exceptional items	24.0	-
Share option charge	0.3	0.5
Amortisation	0.9	0.9
Adjusted earnings	14.9	19.3

During the six months the Group had the following weighted average number of shares in issue and potentially dilutive shares:

	Six months to 31 Jan 2012 No.	Six months to 31 Jan 2011 No.
Weighted average number of shares in issue	662,342,713	503,499,585
Employee share schemes	138,923,611	15,157,091
Fully diluted number of weighted average number of shares in issue	801,266,324	518,656,676

Sportingbet Plc
Unaudited Notes to the Financial Information (Continued)
Six months ended 31 January 2012

8. Earnings per share (continued)

As at 31 January 2012 the Group had the following shares in issue and potentially dilutive shares:

	31 January 2012	31 January 2011
	No.	No.
Number of shares in issue	665,408,277	505,781,224
Employee share schemes	138,923,611	15,157,091
Fully diluted number of shares in issue	804,331,888	520,938,315

9. Acquisition of Centrebet International Limited

On 31 August 2011, the Group completed the acquisition of Centrebet International Limited for £118.6m (Aus \$183.6m).

The Group has not yet completed the finalisation of the fair values of assets acquired, nor the valuation of the separately acquired intangible assets, so the following should be considered provisional:

	£m
Property, plant and equipment	2.4
Software	7.4
Debtors and prepayments	2.5
Cash at bank	18.9
Client liabilities	(12.5)
Other creditors and accruals	(10.6)
Provisional fair value of assets acquired	8.1
Consideration	118.6
Goodwill and acquired intangibles	110.5

10. Related parties

There have been no related party transactions during the quarter and the half year to 31 January 2012.